

**MINUTES OF THE
INDIVIDUAL INCOME TAX AND CORPORATE FRANCHISE
AND INCOME TAX TASK FORCE**

Friday, June 14, 2004 – 1:00 a.m. – Room W135 House Building

Members Present:

Sen. Lyle W. Hillyard, Senate Chair
Rep. Wayne A. Harper, House Chair
Sen. Gregory Bell
Sen. Karen Hale
Sen. John W. Hickman
Rep. Stephen Clark
Rep. James Dunnigan
Rep. Gregory Hughes
Rep. Patricia Jones
Rep. LaWanna "Lou" Shurtliff
Comm. Marc Johnson
Mr. Gayle Anger
Mr. Bruce Olson
Mr. Joe Zeidner

Members Absent:

Sen. Ron Allen

Staff Present:

Mr. Bryant R. Howe, Assistant Director
Mr. Arek Butler, Research Assistant
Ms. Phalin L. Flowers, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://www.le.state.gov> or by contacting the committee secretary, Phalin Flowers, at 538-1032.

1. Task Force Business

Chair Harper called the meeting to order at 9:31 a.m.

The Task Force members were introduced and study topics were discussed. Mr. Howe noted that Ms. Rockwell, Associate General Counsel to the task force, is absent today due to a family emergency.

Staff distributed "Background Information: Utah Individual Income Tax & Utah Corporate Franchise and Income Tax."

2. Overview of Utah Individual Income and Corporate Franchise and Income Taxes

Mr. Howe presented "Overview of Utah Individual Income and Corporate Franchise and Income Taxes." He reviewed information about tax revenue trends, taxpayer characteristics, and principles of an optimum revenue system.

3. Individual Income Tax and Corporate Income Tax Structures in Other States

Mr. Howe briefly discussed individual income tax structures in other states. He explained that due to the unique structure of each state's tax system, it is difficult to make broad generalizations. However, one common element among most state income tax systems is that they are linked to the federal income tax system in some manner.

4. Overview of Exemptions and Credits

Mr. Howe briefly discussed the various exemptions and credits associated with the individual income tax and the corporate franchise and income tax.

5. Administration of the Individual Income Tax and Corporate Franchise and Income Taxes

Mr. Rod Marrelli and Mr. Barry Conover, Utah State Tax Commission, distributed "Utah State Tax Commission: Annual Report, Fiscal Year 2002-2003" and discussed this report with the Task Force. He also briefly reviewed administrative, compliance, and enforcement issues associated with the individual income tax and the corporate franchise and income tax.

6. Task Force Study Priorities and Meeting Schedule

The Task Force discussed study priorities for the 2004 interim and established future meeting dates. Rep. Harper noted that the task force may review the corporate income tax first, then the individual income tax.

7. Other Items / Adjourn

Chair Harper adjourned the meeting at 11:35 a.m.